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SUBJECT: (C-AL7-01035) ETHIOPIA: TRADE RESTRICTIONS IN
OGADEN- PRECURSOR TO A HUMANITARIAN CRISIS?

REF: A. ADDIS ABABA 2343 (AND PREVIOUS)

[1](#)B. STATE 83346 (NOTAL)

[1](#)C. STATE 102381 (NOTAL)

[1](#)1. (SBU) SUMMARY: Results of a Save the Children- UK assessment representing the donors indicate that, in the limited areas assessment teams were able to visit, under current conditions of restrained trade up to 500,000 people in Ethiopia's Somali Region may need food assistance in the upcoming months. If the GOE's restriction of commercial traffic (including commercial food) is lifted, the number of beneficiaries will be substantially lower (around 41,000). The study focuses only on rural (not urban or periurban) populations and was hampered by the inability of assessment teams to enter into much of the Ogaden, including most of Gode, Warder, Korahe and Fik Zones. END SUMMARY.

[1](#)2. (U) On July 30, ECONOFF attended a presentation of the study, carried out by Save the Children-UK (SC-UK) for the GOE's Disaster Prevention and Preparedness Agency (DPPA) with funds provided by USAID. The briefing was attended by representatives of USAID, SC-UK, and UNOCHA among others.

STUDY METHODOLOGY

[1](#)3. (U) The study uses household economy analysis to investigate the effects of hazards on future access to food and income at a household level. Food and income are combined to show a full picture of household income. This income is then compared to thresholds for intervention and to baseline years to estimate the number of beneficiaries of food aid anticipated in the upcoming months. This study examined the Gu season. (NOTE: Gu is the main rainy season in the Somali region. END NOTE.)

DATA GAPS DUE TO LIMITED ACCESS TO OGADEN

[1](#)4. (U) Due to the current security climate, assessment teams were unable to complete their work in Gode, Warder and Korahe (i.e., 3 of the 5 Zones where military operations are ongoing) before the analysis was completed. SC-UK expects the teams will return from the field and add their data in

the next several weeks. However, the teams were unable to visit much of Gode, Warder, Degehabur and Korahe Zones. Some areas of Fik were also inaccessible. Satellite imagery was used to estimate rainfall and livestock forage in the inaccessible areas. Additionally, the study focused solely on rural populations.

BELOW AVERAGE SEASON, BUT
EMERGENCY INTERVENTION NOT NEEDED

15. (U) Overall, rainfall was average to above-average in the west and north, but below average in Warder, Korahe and Degehabur Zones. The rains were poorly distributed over the Gu season, which has led to poor crop production. Livestock forage is at adequate levels and seems to have improved in Degehabur and Fik, but is scarce in Liben and Jijiga.

16. (U) Crop production is less than the baseline (reference) year. Livestock are generally in good condition, but milk production is a bit low. Pastoralists have been able to move livestock to better areas for grazing. In areas with good market access, pastoralists have been able to maintain their purchasing power.

17. (U) This Gu season is rated as below average, and total income is assessed to be lower than the reference year. However, emergency intervention is not likely to be required in the areas studied.

CAVEAT - NUMBER OF BENEFICIARIES NOT LARGE-SCALE

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IF PRICES RETURN TO PRE-RESTRICTION LEVELS

18. (U) In the areas assessed, the study findings indicate that if prices return to pre-trade restriction levels, humanitarian crisis is not likely in the next three to four months. The total number of beneficiaries in the zones assessed is estimated at about 41,000, and no aid is likely to be needed in Afder or Liben. (NOTE: This number of beneficiaries is below that of the March 2007 assessment. SC-UK representatives speculate that the more scientific approach of their methodology versus the more anecdotal approach of the last study may account for the difference. END NOTE.) Under the current scenario where food prices have roughly doubled and livestock prices have sharply declined, there will be a substantial deficit in household incomes in the areas affected.

19. (U) Because the study was funded by DPPA, SC-UK pointed out that the data is owned by DPPA. They have not conducted an analysis that is based on the current trade restrictions persisting and market conditions remaining at the status quo. Additionally, the data does not cover a large part of the region where the conditions are thought to be the worst. As economic conditions (pastoral vs. agricultural) are not analogous in the un-covered regions and the covered regions, a precise estimate of the beneficiary count under status quo is not possible.

"NO TRADE EQUALS DEATH"

10. (SBU) Both SC-UK and USAID representatives estimated that without the trade restrictions being lifted, over 500,000 people in the Somali Region will need food assistance. In fact, one SC-UK representative stated in stark terms that "No trade equals death." He stated that in the region's markets there was nothing left to purchase. The livestock trade was nonexistent and the only trade was illegal trade or smuggling. Additionally, the areas most likely to need

assistance were in the areas not accessible to study teams. There are reports of the extraordinarily high food prices declining somewhat in some markets, indicating that some food is getting into the security zones.

MIGRATION: AN ADDITIONAL CONCERN

¶11. (U) USAID representatives raised concerns about migration within the Somali region. USAID is concerned about "pastoral dropouts": pastoralists who have abandoned their former means of livelihood and migrated to urban and periurban areas in hopes of making a living. The concern is not only with those who have migrated, but those who are left behind. Those left behind have no animals, meat or milk, and with trade restrictions there is less opportunity for alternate sources of food. The SC-UK study did not address migration. NGO reports indicate that there are "pastoral dropouts" in and around the Jijiga area.

¶12. (SBU) COMMENT: The SC-UK study results present a good news/ bad news situation. The good news is that in the areas assessed, far fewer people than anticipated in the April 2007 study need food assistance. The bad news is that there are large areas of the region for which there is no information. The impact of continuing trade restrictions could be potentially devastating, possibly placing over 500,000 people in need of food assistance. The message heard throughout the briefing was that, at this time, humanitarian assistance is not the answer to the situation--commerce is. END COMMENT
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